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Review of the efficiency of the administrative and financial functioning of the United Nations

Proposed programme budget outline for the biennium 2000–2001

Report of the Secretary-General

I. Introduction

1. As required by General Assembly resolution 41/213 of 19 December 1986, annex I, the Secretary-General submits, in off-budget years, "an outline of the programme budget for the following biennium, which shall contain an indication of the following:

"(a) Preliminary estimate of resources to accommodate the proposed programme of activities during the biennium;

"(b) Priorities, reflecting general trends of a broad sectoral nature;

"(c) Real growth, positive or negative, compared with the previous budget;

"(d) Size of the contingency fund expressed as a percentage of the overall level of resources."

The outline for the biennium 2000–2001 is hereby submitted.

II. Preliminary estimate of resources to accommodate the proposed programme of activities during the biennium

2. In the establishment of a preliminary estimate of resources for the biennium 2000–2001, the current level of appropriations, namely, $2,532.3 million, was taken as the starting-point. The preliminary estimate, expressed at 1998-1999 rates, amounts to $2,468.5 million and has been arrived at as follows:

* A/53/150.

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	Millions of United States dollars
Appropriations for 1998-1999	2 532.3
Less: One-time costs in 1998–1999 (para. 3)	(1.9)
Less: Political missions mandated only for 1998–1999 (paras. 4 and 5)	(61.9)
Plus: Provision for new activities/events foreseen and/or mandated in 2000–2001 (para. 6)	20.0
Less: Compensating economies (para. 7)	(20.0)
Preliminary estimate for 2000–2001, at 1998–1999 prices	2 468.5

3. In the proposed programme budget for 1998–1999, in contrast to prior practice, new posts were fully funded. Accordingly, no adjustment would be required to make full biennial provision in 2000–2001 for posts which were newly established in the current biennium. Furthermore, a provision of $1.9 million relating to one-time costs in 1998–1999 would not be required. The latter provision related mainly to costs of the interim secretariat for the United Nations Convention to Combat Desertification which, in accordance with resolution 51/180, is funded from the regular budget until 31 December 1998 and to other costs associated with the convening in 1998 of the special session of the General Assembly devoted to countering the world drug problem and the United Nations *Treaty Series*.

4. In the preparation of the outline for 1998–1999 provision was made for possible mandates relating to existing political missions. In reviewing the proposed outline for the biennium 1998–1999, however, the General Assembly decided to exclude such provisions, and requested the Secretary-General to examine all issues related to the question of additional expenditures, including those relating to the maintenance of peace and security, and to report accordingly (resolution 51/220). In the requested report,[1] submitted to the Assembly at its fifty-first session, it was stated that, biennium after biennium, there was a need for resources for special missions and that it would be desirable to provide those resources in advance. The Secretary-General went on to suggest two possible ways: (a) to include projected requirements in the outline or (b) to exclude requirements from the outline but include a contingency provision for such needs. The Secretary-General expressed a preference for option (a). The Advisory Committee on Administrative and Budgetary Questions concurred with that preference and recommended to the General Assembly that it endorse that approach.[2] The General Assembly, however, took no action on the proposal. In the absence of General Assembly action on this matter, the previous practice has been followed and political missions, which are partially funded in the current budget and not yet mandated for 2000–2001, have been omitted from the proposed outline. Current appropriations for 1998–1999 special political missions amounting to $61.9 million have therefore been excluded.

5. Nevertheless, the extension of such missions or the establishment of new ones has traditionally been secured through additional appropriations voted by the General Assembly after the preparation of the programme budget proposals. This practice has, however, not been an entirely satisfactory experience either in the biennium 1996–1997 or in the biennium 1998–1999. The need to incorporate relatively large unspecified and unpredictable resource provisions within the budget after the adoption of the budget outline and mid-way through the biennium has to some extent undercut the basic purpose of the outline exercise. Under the circumstances, the Secretary-General believes that the current arrangements are an

unsatisfactory basis for organizing future resource management. A better solution is required, one which will adequately finance mandated political missions as needs arise without negatively affecting other already mandated regular budget work programmes.

6. A number of mandates exist for the convening of major conferences and special sessions during the biennium 2000–2001. These include special sessions of the General Assembly and/or special plenary meetings on the review and appraisal of the implementation of the outcome of the World Summit for Social Development and the decisions of the Fourth World Conference on Women and the United Nations Conference on Human Settlements (Habitat II); the World Conference against Racism and Racial Discrimination, Xenophobia and Related Intolerance; the Third United Nations Conference on the Least Developed Countries; the Tenth United Nations Congress on the Prevention of Crime and the Treatment of Offenders; the tenth session of the United Nations Conference on Trade and Development; the implementation of the decisions of the special session of the General Assembly on the world drug problem; and the reinforcement of programmes such as the United Nations Office in Nairobi. As a result of these projected requirements, an amount of $20 million is foreseen as new resource needs for 2000–2001.

7. As was the case with the proposed programme budget for 1998–1999, the programme budget for 2000-2001 will be subjected to the most intense scrutiny within the Secretariat. It is anticipated that, as a result of that scrutiny, economies in the order of $20 million will be identified.

8. The Secretary-General is confident that the objectives of the programmes included in the proposed medium-term plan for the period 1998–2001 can be pursued in 2000–2001 within the overall level of resources included in the proposed outline.

9. The annex to the present report provides preliminary indicative estimates of resources distributed among the various parts of the programme budget. It does not reflect potential redeployment of resources to the Development Account during the biennium 2000–2001.

III. Priorities, reflecting general trends of a broad sectoral nature

10. The medium-term plan for the period 1998–2001 and the programme budget for the biennium 1998–1999 reflect the following priorities: maintenance of peace and security, promotion of sustained economic growth and sustainable development of developing countries; development of Africa; promotion of human rights; effective response to humanitarian emergencies; and promotion of justice and international law. It is proposed that the programme budget for the biennium 2000–2001 also reflect these priorities.

IV. Real growth, positive or negative, compared with the previous budget

11. The preliminary estimate represents a decrease of $63.8 million or 2.5 per cent compared with the initial appropriations for the biennium 1998–1999.

V. Size of the contingency fund

12. The size of the contingency fund was set at 0.75 per cent of the overall level of resources for the first outline and for all subsequent ones. It is therefore recommended that the level be set at $18.5 million for the biennium 2000–2001, i.e., 0.75 per cent of the proposed outline.

Notes

[1] A/C.5/51/57.

[2] A/52/7/Add.2.

Annex

Preliminary indicative estimates for the biennium 2000–2001

(Millions of United States dollars)

	Expenditure by part	*1998-1999 appropriation*	*Resource change*		*Total*
			Amount	*Percentage*	
I	Overall policy-making, direction and coordination	478.3	(3.8)	(0.8)	474.5
II	Political affairs	206.1	(59.2)	(28.7)	146.9
III	International justice and law	53.5	1.1	2.0	54.6
IV	International cooperation for development	272.6	3.9	1.4	276.5
V	Regional cooperation for development	370.4	1.6	0.4	371.9
VI	Human rights and humanitarian affairs	127.4	1.0	0.8	128.4
VII	Public information	138.0	(1.1)	(0.8)	137.0
VIII	Common support services	446.2	(5.0)	(1.1)	441.2
IX	Internal oversight	18.4	0.9	4.7	19.2
X	Jointly financed administrative activities and special expenses	58.5	2.0	3.5	60.5
XI	Capital expenditures	34.6	0.6	1.8	35.2
XII	Staff assessment	315.4	(5.8)	(1.8)	309.6
XIII	Development Account	13.1	0.0	0.0	13.1
	Total	**2 532.3**	**(63.8)**	**(2.5)**	**2 468.5**